



DISASTER NEWS

Economic Injury Loans for Small Businesses

Release Date: September 8, 2005
Release Number: 05 – 300, IL 10188

Contact: Frank Adinolfi or Matt Young
Phone: 404-347-3771

SBA DISASTER LOANS AVAILABLE FOLLOWING SECRETARY OF AGRICULTURE DISASTER DESIGNATION

CHICAGO - The U.S. Small Business Administration (SBA) announced today that federal disaster loans are available to small, non-farm, agriculture-dependent businesses located in the counties of Adams, Alexander, Calhoun, Hancock, Jackson, Jersey, Madison, Monroe, Pike, Randolph, St. Clair, and Union in the State of Illinois.

“These counties are eligible because they are contiguous to one or more primary counties in the State of Missouri. SBA recognizes that disasters do not usually stop at the county or state lines. For that reason, counties adjacent to primary counties named in the declaration are included,” according to SBA Acting Disaster Area Director Frank Skaggs.

“SBA’s disaster declaration was issued as a result of a similar action taken by the Secretary of Agriculture to help farmers recover from damages and losses to crops caused by drought that occurred on January 1 and continuing,” said Skaggs.

Under this declaration, SBA’s Economic Injury Disaster Loan (EIDL) program is available to small, non-farm, agriculture-dependent businesses and small agricultural cooperatives that suffered economic injury as a direct result of the weather’s effect on agricultural producers. A business that sells goods/services to agricultural producers may be unable to pay bills and/or meet expenses because of the reduced purchasing power of farmers and ranchers. Examples of eligible businesses are, but not limited to, farm implement dealers, seed and feed stores and spraying and irrigation businesses. Farmers and ranchers are not eligible, to apply to SBA, but nurseries are eligible to apply for economic injury caused by drought conditions.

Eligible small businesses may qualify for loans of up to 1.5 million. These loans are available at a 4 percent interest rate with loan terms up to 30 years. SBA determines eligibility for the program based on the size and type of business and its financial resources. Loan amounts and terms are set by SBA and are based upon each applicant’s financial condition. Under this disaster declaration, SBA can not provide loans to agricultural producers, and cannot provide loans to non-agricultural dependent businesses. Farmers and ranchers are not eligible to apply to SBA, but nurseries are eligible to apply for economic injury caused by drought conditions.

“SBA can help these small businesses overcome their economic injuries by offering these working capital loans, but the help can’t start until they apply,” Skaggs added.

Interested business owners should contact SBA Disaster Assistance Customer Service Center by calling the toll-free 1-800-659-2955 or visit SBA’s website at www.sba.gov/disaster for more information and to obtain a loan application. The Telecommunications Device for the Deaf (TDD) and speech impaired number is 1-800-877-8339. Completed applications should be returned to: U.S. Small Business Administration Disaster Assistance, 14925 Kingsport Highway, Fort Worth, TX 76155.

Completed loan applications must be returned to SBA no later than April 24, 2006.

For more information visit SBA’s website at www.sba.gov/disaster

###

SBA Disaster Assistance Office - Area 2—One Baltimore Place, Suite 300—Atlanta, GA 30308